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Letter dated 24 October 2000 from the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola addressed to the President of the Security Council

I have the honour to transmit herewith the interim report of the Monitoring Mechanism on Angola Sanctions established by the Security Council in resolution 1295 (2000) of 18 April 2000, as agreed by the members of the Committee at its 27th meeting, held on 23 October 2000.

I would be grateful if this report were circulated to members of the Security Council for their information and issued as a document of the Security Council.

(*Signed*) Paul **Heinbecker**
Chairman
Security Council Committee established
pursuant to resolution 864 (1993)
concerning the situation in Angola

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Annex

Letter dated 16 October 2000 from the Chairman of the Monitoring Mechanism on Angola Sanctions addressed to the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola

I have pleasure in submitting to the Committee the interim report of the Monitoring Mechanism on Angola Sanctions, in accordance with paragraph 3 of Security Council resolution 1295 (2000) (see appendix).

(*Signed*) Juan **Larrain**
Chairman
Monitoring Mechanism on Angola Sanctions

Appendix

Interim report of the Monitoring Mechanism on Angola Sanctions established by the Security Council in resolution 1295 (2000) of 18 April 2000

Introduction

This interim report is being submitted pursuant to Security Council resolution 1295 (2000) of 18 April 2000 and subsequent related decisions, by which the Council requested that a report be provided by 18 October 2000 by the Monitoring Mechanism established to collect additional relevant information and investigate relevant leads relating to any allegations of violations of measures contained in Security Council resolutions 864 (1993), 1127 (1997) and 1173 (1998) on sanctions against UNITA.

The Mechanism will be presenting its final report before the conclusion of the mandate, which will be in January 2001, due to the delay in nominating members of the Mechanism.

Immediately following the nomination of its members on 12 July 2000, the Monitoring Mechanism (herein after referred to as the Mechanism) held its first meeting at the United Nations Headquarters on the 20th and 21st July 2000. During this meeting, the Mechanism received detailed briefings from the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola, as well as from the United Nations Secretariat. The Mechanism also received some of the information gathered by the previous Panel of Experts.

After a preliminary study of the information made available to it, the Mechanism outlined its programme of work. The Mechanism decided to give high priority to tracing sanctions violations in the areas of arms, military equipment, diamonds and finances, travel and representation.

The Mechanism also decided to seek the cooperation of INTERPOL to conduct an in-depth intelligence analysis of available information with a view to identifying UNITA's support networks and links to organized crime, as well as developing leads to be followed up. This analysis is considered of vital importance in tracking down some of the individuals and entities cited in the previous Panels report and any new ones that may emerge in the process of the current investigation. A working session between the Strategic and Operational Unit of the General Secretariat of INTERPOL and the Mechanism is scheduled to take place

in New York on 26 and 27 October 2000 to examine the preliminary outcome of the intelligence analysis.

The Mechanism considered it imperative to schedule an early visit to Angola immediately following its establishment in order to seek the cooperation of the Angolan authorities in the pursuance of its mandate. Based on the findings of the previous Panel of Experts and the written responses received from Member States cited in the report with regard to violations of the measures against UNITA, the Mechanism also considered it important to schedule early visits to these countries to collect additional information, follow up on leads and elicit those countries' cooperation in the current investigation. In view of the large number of countries to be visited and in order to speed up its work, the Mechanism decided to set up two teams in accordance with areas of expertise, as necessary. It was also agreed that at least two members of the Mechanism should be available at any one point before a visit could be undertaken.

The Mechanism agreed to use strict evidentiary standards in its investigations and to put allegations to those concerned, to allow them to exert their right of reply. It also decided that urgent recommendations would be brought to the attention of the Committee established pursuant to Security Council resolution 864 (1993) as soon as practicable rather than holding on to them until the Mechanism's final report.

The Mechanism was also of the view that in the execution of its mandate, it was important for it to sensitize international public opinion on its role in particular and the Security Council sanctions against UNITA in general. In this regard, the Mechanism is seeking to create a website where information on the work of the Mechanism as well as contact addresses could easily be accessed. On 11 September 2000, the Chairman of the Mechanism appeared in a joint press conference with the Chairmen of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola and the Panel of Experts on Sierra Leone in order to highlight the inclusion in the United Nations General Assembly agenda of the item: "The Role of Diamonds in Fueling Conflicts". A pamphlet on conflict diamonds was prepared and distributed during the press conference. Other media initiatives will be considered as necessary.

The Mechanism committed itself to holding regular consultations with Panels of Experts working on similar issues and to keeping the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola informed of its work as and when necessary.

In accordance with its work programme, the Mechanism has, during the period under review, visited the following countries for consultations: Angola, South Africa, Togo, Burkina Faso, Cote d'Ivoire, Uganda, Rwanda, Namibia, Botswana, Russia, Ukraine, Bulgaria, and Romania. It also attended the World Diamond Congress held in Antwerp from 17-18 July 2000 and the Southern African Regional Police Chiefs Cooperation Organization (SARPCO) meeting held in Blantyre, Malawi from 4-6 August 2000. The Mechanism also visited the Headquarters of the Southern African Development Community in Gaborone (Botswana) where it held discussions with the Acting Executive Secretary. The Mechanism could not visit Zambia as planned as the dates were not convenient to the Zambian authorities. This visit, however, remains high on the Mechanism's list of priorities and will be undertaken as soon as possible. The Mechanism also intends to visit:

- the Headquarters of Wassenaar to consult on the possible harmonization of end user certificates;
- the World Customs Organization to discuss issues relating to the sanctions on diamonds;
- ECOWAS to discuss the strengthening of the implementation of the arms travel and representation sanctions in the sub-region.

The information available to the Mechanism on the military situation in Angola points to a serious weakening of UNITA's operational capabilities, particularly following the fall of its major strongholds in Andulo and Bailundo. It is generally accepted that the sanctions, combined with military factors on the ground, are seriously hampering UNITA's capacity. The recent shift in Savimbi's military strategy from conventional to guerilla warfare, from the use of heavy artillery to light weapons is an indication of this contextual change. It is clear that UNITA still has the resources to pursue guerrilla warfare, though the scope of these remains to be correctly assessed.

Arms and military equipment

Security Council resolutions prohibit all sale or supply to UNITA of arms and related materiel and military assistance including weapons and ammunition, military vehicles and equipment and spare parts. Member States of the United Nations are required to prevent nationals, flag vessels and aircraft from engaging in such activities (resolution 864 (1993) of 15 September 1993 and subsequent resolutions). Also prohibited is the provision to UNITA of motorized vehicles, or ground or waterborne transportation services (resolution 1173 (1998) of 12 June 1998).

The Panel of Experts established pursuant to Security Council resolution 1237 (1999) concluded in its report S/2000/203 that UNITA was able to import large quantities of arms and military equipment mainly as a result of four key factors, namely: the availability of purchasing power (funds generated by conflict diamonds), the willingness of certain countries to provide their end user certificates to UNITA and to facilitate the passage of arms and military equipment through their territory to UNITA, the willingness of some arms exporting countries to sell weapons with little regard as to where those arms would actually end up and the largely unregulated activity of international arms brokers and intermediaries.

During its visits to Togo, Burkina Faso, Ukraine, Bulgaria and Romania, the Mechanism pursued the leads uncovered by the previous Panel and gathered additional information with regard to procedures and practices in the import and export of arms, the issuance and verification of end user certificates, air cargo transportation, transit, landing facilities, international arms brokers and their intermediaries. Very serious discrepancies still exist in the information received from arms exporting and importing countries cited in the previous Panel's report with regard to the end user certificates and related shipments made during the period 1996 to 1999. The Mechanism has requested additional information from both sides with the view to clarifying these discrepancies.

In Ukraine, Bulgaria and Romania, the Mechanism was informed of these countries' current and comprehensive efforts to strengthen the implementation of sanctions, by putting in place the necessary legal framework as well as creating mechanisms to govern various aspects of the export of arms and dual use goods. The arms exporting countries informed the Mechanism of their difficulties in dealing with the African countries cited in the Panel's report due to lack of verification systems in these countries. Togo and Burkina Faso also informed the Mechanism that Inter-Ministerial Committees had been put in place to improve the implementation of Security Council sanctions against UNITA on their respective territories. The full effect of these measures will be closely followed by the Mechanism.

The previous Panel identified arms brokers and their intermediaries as playing an important role in the procurement of arms by UNITA. The Mechanism is in the process of developing a project to profile these arms brokers with the cooperation of Interpol, particularly in the area of intelligence gathering.

In view of the important role of air transportation in the violations of sanctions against UNITA, the Mechanism is similarly developing profiles of the major cargo companies cited in the previous Panel's report with the view to exploring ways and means of strengthening the implementation of the sanctions against UNITA in this area. The Mechanism is in consultation with IATA and ICAO and their affiliate bodies on possible further cooperation. Similarly, the Mechanism will endeavour to collect information regarding the insurance companies providing policy cover for aircraft suspected of violating the sanctions.

In the light of the contextual change from conventional to guerilla warfare, it appears that the need for petroleum and petroleum products on the part of UNITA is currently lessened. However, the Mechanism continues to pay attention to possible violations in this area. In the course of a visit to the SADC Secretariat, the Mechanism was informed that the relevant sectorial committee is currently studying the recommendations of the previous Panel. The Mechanism is expecting to receive an interim report by December 2000.

Representation and Travel

Security Council resolutions prohibit the entry into or transit through their territories of all senior officials of UNITA and of adult members of their immediate families in accordance with Security Council resolution 1127 (1997) of 28 August 1997. In addition, Member States of the United Nations are required to suspend or cancel all travel documents, visas or residence permits issued to senior UNITA officials and adult members of their immediate families. Also prohibited, with certain specifically limited exceptions are all official contacts with the UNITA leadership in areas of Angola to which State administration has not been extended (resolution 1173 (1998) of 12 June 1998).

The report of the Panel of Experts underlines the very close links between the different aspects of UNITA's military and strategic procurement, its diamond dealings and financial operations and the ability of UNITA personnel to travel and conduct the organization's business abroad. The Mechanism cannot over-emphasize the importance it attaches to this analysis and to the implementation of the sanctions against UNITA representation and the travel of UNITA personnel. The Mechanism would argue that these sanctions are even more important today, due to the present situation in Angola.

The Panel described the role of UNITA representatives abroad and how they are still allowed to travel freely in certain countries. This overview and the additional information provided by Governments and others following the report

have formed the basis of the work presently being undertaken by the Mechanism. In view of the fact that the list of designated UNITA officials and their adult family members constitutes the basis for the measures to be taken by States, the Monitoring Mechanism has paid special attention to the procedures to be followed in order to maintain a correct and up-to-date list. It will continue to focus on this, since it is evident that much has to be done to improve the quality, accuracy and relevance of the list. The role of the Secretariat, as defined in the guidelines of the Sanctions Committee, is very important in this regard.

The Mechanism considers that the quality of the list depends to a large extent on the information that the Member States can provide. The Government of Angola is obviously particularly important in this regard. There can be no doubt that senior UNITA officials are still present in several countries, be they included in the list or not. The Mechanism is of the view that Governments could assist the work of the Sanctions Committee if they are proactive in bringing this information forward.

By the terms of the mandatory sanctions established by the Security Council under its relevant resolutions, the responsibility for implementing the sanctions is placed upon States. In order to fulfill this task, States need appropriate information made available to them. An up-to-date, accurate and informative list is the most important tool to achieve this.

However, the fact that the list at present does not include as much data as could be desired should not prevent States from putting in place appropriate mechanisms aimed at controlling the movement of the persons included in the UN list.

During missions carried out by the Monitoring Mechanism, Governments were frequently asked whether appropriate measures have been put in place to implement this aspect of the Council sanctions. The responses have varied from those who claimed not to have received the UN list, to those who said that the list was of too poor quality to be of use. Of the African countries visited, the Mechanism noted that the UN list only existed in Botswana, Namibia and South Africa.

The government of Burkina Faso has issued an Executive Order, number 2000/0030, of 5 April 2000, prohibiting the access of all Angolan nationals into the country, except for those on official missions. UNITA officials and their family members do not however, on the whole, use Angolan passports.

The Mechanism is of the view that one area that needs to be looked into is the movement of UNITA senior officials within the European Schengen countries and how that can be controlled. The Mechanism will be exploring what is feasible in this area during its visits to some European countries. With regard to the issuance of ECOWAS travel documents to senior UNITA officials, something that has clearly facilitated their circumvention of the sanctions, the Mechanism is consulting with ECOWAS Secretariat concerning this matter.

During its visit to Angola in July 2000, the Mechanism received information that 56 UNITA officials and their dependents said to have been expelled from Togo, when actually they were only moved to the outskirts of Lomé for the duration of the OAU Summit. The Mechanism also had an opportunity to interview in Luanda a UNITA defector, George Kassesse, whose name was also included on the Togolese list. Kassesse presented himself as a former student and assistant "in the UNITA embassy" in Lomé. He told the Mechanism that he was one of the 56 moved out of Lomé to the northern part of the country during this period.

However, during its visit to Togo, the Mechanism was informed that the 56 UNITA officials and their dependents had been expelled to the neighboring countries of Ghana and Benin. A copy of decree number 00-467 of 20 May 2000 containing the names of 56 family members of senior UNITA officials expelled by the Togolese authorities was given to the Mechanism. The Mechanism was also informed that ECOWAS and INTERPOL had been advised of the cancellation of the ECOWAS travel documents held by these UNITA officials and their families. The Mechanism is in the process of verifying the information made available to it with the two neighboring countries cited as the destinations of the said officials and their families.

After the sanctions were put in place prohibiting UNITA's official representation abroad, many countries formally closed UNITA offices on their territories. However, in some countries UNITA's continued presence was assured as the representation offices were immediately transformed into non-governmental organizations (NGOs), institutes or associations. UNITA has managed to a significant extent, to circumvent the sanctions since some States have found it difficult to prohibit these new structures. This problem seems particularly difficult when nationals of the country in question run the structures.

"Commissao de Justica, Paz e Reconciliacao em Angola" is one instance of a suspected front organization for UNITA. It has offices or representatives in Portugal, Italy and in Ireland. The names of the representatives are Joffre Justino,

Adalberto Acosta Junior and Leon Dias, all known to be UNITA officials or at least UNITA spokespersons. Justino carries a Portuguese passport; Leon Dias is an Irish citizen according to information provided by the Irish government. Adalberto Acosta Junior was head of the former UNITA representation in Rome, which was officially closed due to the sanctions. He gave a press conference in Lisbon on September 6 this year, and in reports by both Reuters and IRIN he is referred to as UNITA's chief foreign affairs spokesman. The organizer of the press conference was Joffre Justino. Acosta Junior has given at least one more press conference in Lisbon earlier this year. Due to the problems with the UN list, neither Acosta Junior nor Leon Dias has yet been included. The Sanctions Committee has now been asked to include these three. The Mechanism has asked for clarification from the governments of Portugal and Italy. The response from Italy is pending.

The Mechanism intends to continue the focus on the question of UNITA representations abroad and on ways and means to enforce the sanctions. It should be underlined that the examples given above are not exhaustive.

Diamonds

Security Council resolution 1173 (1998) of 18 June 1998 and subsequent resolutions require Member States to prevent "the direct or indirect import from Angola to their territories of all diamonds that are not controlled through the Certificate of Origin Regime" established by the Government of Angola. Also prohibited is the export to UNITA controlled territory of "equipment used in mining or mining services". Security Council resolution 1295 (2000) requests that "States hosting diamond markets impose significant penalties for the possession of rough diamonds in contravention of the measures contained in Security Council resolution 1173 (1998) and to develop a system of controls to facilitate the implementation of Security Council resolution 1173 (1998).

This year, Governments and actors within the diamond industry responded to sanctions on UNITA's diamond trading by placing "conflict diamonds" high on the agenda and supporting the development of a system of certification.

The Mechanism attended, as observers, the meeting of the World Diamond Congress held in Antwerp from 17-19 July 2000, during which the diamond industry recognized the necessity of excluding illicit diamonds from the trading systems. The World Federation of Diamond Bourses (WFDB) agreed to set up an International Diamond Board that would have an oversight role in this respect

Security Council resolution 1295 (2000) requests that States hosting diamond markets impose significant penalties for the possession of rough diamonds in contravention of Security Council resolution 1173 (1998). In this regard, the Mechanism notes that Belgium, in particular, is examining the possibility of legislation on such extraterritorial illicit activities by its nationals, to enable prosecution of sanctions violators. The Government of Belgium has also adopted wide-ranging measures to enforce the sanctions and regulate the national diamond industry.

With respect to UNITA's diamond trading, the Panel of Experts report established the critical importance of UNITA's diamond activities in funding its war and in buying external support for the organization. It also noted that rough diamond caches have become the primary means of stockpiling wealth for UNITA.

Despite the embargo on UNITA's diamond trade, the organization continues to mine diamonds and move them to market. Adalberto da Costa, described as UNITA's foreign affairs spokesman told a press conference in Lisbon in September this year that UNITA was mining, albeit in reduced quantities.

The Government of Angola informed the Mechanism that UNITA has opened a new diamond mine in the Malange province. The Mechanism is examining allegations that UNITA holds a considerable stockpile of diamonds. The attention of the Mechanism has been drawn to possible breaches of the sanctions on diamond trading in several countries in recent months and will be following these up.

The Mechanism has met government representatives in several of those African states named as significant to UNITA's diamond trade by the Panel's report. The Mechanism raised the issue of UNITA related diamond exports from their territories with the governments of Rwanda and Uganda during a visit. Neither country has yet imposed controls on the movement of diamonds through its territory. This observation also applies to Burkina Faso. However, the government of Togo has issued an Executive Order banning all transactions of Angolan diamonds not covered by Angolan Government certificate of origin.

The Mechanism will be focusing on UNITA's diamond trade outside Africa, as well as in those African states it has yet to visit. It is clear that international dealers are still prepared to flout sanctions and buy diamonds from UNITA, and that it is very difficult, even for those countries with the will, to prevent diamond smuggling given that the system of controls on the sales on diamonds is not yet in place.

In regard to mining equipment, the Mechanism will liaise with the Angolan and South African governments on a system to ensure that suppliers in South Africa are delivering such equipment to legitimate mining enterprises in Angola and not diverting their flights to UNITA-held areas.

The Government of Angola has addressed the problems in their diamond certification systems that had been outlined in the Panel's report. In January this year, Angola introduced a new properly serial numbered Certificate of Origin, in compliance with the requests for a controllable system of certification. The Certificate is extremely hard to forge or alter. The certification system is now fully operational.

At present one company ASCorp. (Angola Selling Corporation) has the sole right to buy Angola's entire diamond output. The Government of Angola has informed the Mechanism that all of Angola's legitimate diamonds are exported, in the first place, to Antwerp.

Accordingly, Angola now has a checkable export system in which certificated imports of Angolan diamonds into Antwerp are checked against legal exports, to ensure that parcels are not altered in transit. The two signatories to the Certificate of Origin have been designated by the government. The systems for identifying and exporting production from legitimate mines appear to have no discernable loopholes.

Exclusion of UNITA diamonds from the system is based on the registering and licensing of the many artisanal miners and middlemen, a process that is expected to be completed within 60 days, according to the President of ASCorp. The government has created an interdepartmental task force to speed implementation of these controls.

The Mechanism will continue to monitor government's progress in controlling this trade, on which depends its capacity to ensure the exclusion of UNITA diamonds. The Mechanism has no information that UNITA diamonds are being traded into ASCorp, but it is a matter of concern that loopholes be closed.

The responses of governments to the Expert Panel's report and the activities of dealers named there are being followed up through a programme of visits and interviews.

UNITA's finances and assets

Security Council resolution 1173 (1998) of 12 June 1998 requires the freezing of all funds and financial resources of UNITA and of its senior officials and their adult family members as designated by the Sanctions Committee dealing with Angola. Member States are required to ensure that such funds and financial resources are not made available directly or indirectly to or for the benefit of UNITA as an organization or of senior officials of UNITA or adult members of their immediate families.

From the information available to date to the Mechanism, we can only conclude that few Member States have started the process of identifying UNITA funds and ensuring that the relevant financial assets are frozen, despite Security Council resolution 1295 (2000), which requests States to work with financial institutions on their territories to develop procedures for identifying funds held by UNITA.

The Mechanism is of the opinion that a specialized study into UNITA's finances and assets should be commissioned. The Mechanism is concerned that UNITA still maintains financial assets abroad, controlled by the organization's most senior representatives.

The Mechanism has begun the process of verifying the nature and location of key UNITA financial networks and bank accounts and their putative handlers. The Mechanism will also be requesting the full co-operation of Member States in identifying transactions that benefit UNITA and in freezing any identified UNITA's assets. Analysis of the data has revealed major clusters of UNITA-related assets in several countries. The Mechanism is developing a list of those suspected of holding UNITA's assets.

Concluding comments and future programme of work

The approach of the Monitoring Mechanism during the first stage of the execution of its mandate has been to actively seek the co-operation of Governments, institutions and other actors with an interest in the Security Council sanctions against UNITA. We believe that a spirit of mutual collaboration is important in finding out how the Security Council imposed sanctions against UNITA have been flouted in the past with impunity. With a view to tightening those loopholes, we are seeking to develop a true spirit of trust and partnership that will have a lasting effect in strengthening the authority of the Security Council and hence underpin respect for the Council's decisions.

In general terms, the responses to the Mechanism have been positive. Indeed, in many cases, there have been clear demonstrations of willingness to implement the sanctions against UNITA and to make them more effective. Nevertheless, there remains a great deal to be done, both on the part of the continuing inquiries to be conducted by the Monitoring Mechanism, and of the continuing co-operation and commitment of Member States on the issue.

The second stage of our work will therefore focus on the tasks and initiatives outlined in this report, as well as to put to the test the spirit of co-operation that has been voiced to us. We will now concentrate on whether those expressions of good intent can be translated into effective action that will diminish the military capability of UNITA to continue to wage war.

In addition to our efforts to engage the cooperation of Member States and inter-governmental organizations alike, the Mechanism is also undertaking an analysis of the procedures currently in place with a view to improving the implementation of the measures imposed against UNITA in accordance with paragraph 3 of Security Council resolution 1295 (2000).

In this context, the Mechanism considers that a significant portion of its attention will be devoted to developing proposals that would enable the United Nations not only to strengthen its current role regarding UNITA sanctions, but to encourage it to utilize a more targeted and focused approach aimed at strategic monitoring.